

February 11, 2004

Via Facsimile 202-225-6197

The Honorable Jim McDermott
1035 Longworth House Office Building
Washington, DC 20515

Dear Mr. McDermott:

On behalf of the 200 members of the Corporate Council on Africa (CCA), I write as a supporter of the extension of the African Growth and Opportunity Act (AGOA). As such, we share a vision articulated by President George W. Bush in a televised statement in Mauritius more than a year ago.

AGOA's successes, while substantial, are only a beginning. Following are CCA's views on AGOA and how, based on our experience in the United States and Africa, the legislation can be improved for the benefit of America and the nations of Africa.

First, extending AGOA through 2020 will ensure the program's success and provide Africa with much-needed resources to further economic development and prosperity. Investment decisions require stability; extending AGOA through 2020 gives investors confidence to invest in AGOA-driven production. Expanding the list of AGOA-eligible products would also benefit both Africans and Americans.

Second, and perhaps most importantly, the current AGOA legislation should be revised to extend the Least Developed Country third-country apparel benefits of AGOA. In many AGOA countries, the nascent textile and apparel industry thrives because of this provision. Without an extension of the third country apparel benefits, we fear that this progress will be reversed. Given the crucial need to avoid instilling further dependency among African nations, we believe that a phase out of this benefit, with escalating quotas for third country apparel, is an excellent incentive mechanism to ensure that this sector develops and flourishes in Africa.

Third, CCA has observed time and again the need in Africa for U.S. and multilateral technical assistance to AGOA traders. Responding to this need would enable U.S.

agencies, such as the Overseas Private Investment Corporation and the Export-Import Bank of the United States, to become involved further in the program, and to assist in financing and risk mitigation for AGOA investors. For AGOA to produce real results, investment is needed to spur production. Assistance from the U.S. government agencies and a longer term on the program will conduce a more investment-friendly environment.

As you consider the future of this landmark piece of U.S.-Africa trade legislation, we trust that the views of the Corporate Council on Africa stated above will be useful.

We would welcome the opportunity to provide you additional information on AGOA.

Sincerely yours,



Stephen Hayes
President